



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

ELECTRONIC MAIL
RETURN RECEIPT REQUESTED

Xinxiang Wang, Chief Executive Officer
SLH Trading Corp.
153 Redstone Dr.
Walnut, CA 91789-2575

Jiayun Shen, Chief Executive Officer
Black Horse Racing Corp.
153 Redstone Dr.
Walnut, CA 91789-2575

Re: Notice of Potential Violation and Opportunity to Confer

Dear Xinxiang Wang and Jiayun Shen:

The United States Environmental Protection Agency ("EPA") has investigated and continues to investigate SLH Trading Corp. ("SLH") and Black Horse Racing Corp. ("Black Horse") for compliance with the Clean Air Act ("CAA"), 42 U.S.C. §§ 7401-7671q, and its implementing regulations. As detailed in this Notice of Potential Violation and Opportunity to Confer ("NOPVOC"), information currently available to the EPA suggests that SLH and/or Black Horse has offered for sale and sold parts or components for motor vehicle engines that bypass, defeat, or render inoperative devices or elements of design of motor vehicles that were installed by the original equipment manufacturer to enable the motor vehicles to comply with the CAA emission standards. SLH and Black Horse knew, or should have known, that these parts or components were offered for sale or installed for such use or put to such use. Therefore, SLH and Black Horse potentially violated section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B). By this letter, the EPA is extending to you an opportunity to advise the Agency, via a conference call, or in writing, of any further information the EPA should consider with respect to the potential violations.

Law Governing Alleged Violations

This NOPVOC arises under Part A of Title II of the Act, 42 U.S.C. §§ 7521–7554, and the regulations promulgated thereunder. These laws were enacted to reduce air pollution from mobile sources of air pollution. In creating the Act, Congress found, in part, that "the increasing use of motor vehicles . . . has

resulted in mounting dangers to the public health and welfare.”¹ Congress’ purpose in creating the Act, in part, was “to protect and enhance the quality of the Nation’s air resources so as to promote the public health and welfare and the productive capacity of its population,” and “to initiate and accelerate a national research and development program to achieve the prevention and control of air pollution.”²

The CAA defines a “motor vehicle” as “any self-propelled vehicle designed for transporting persons or property on a street or highway.” Section 216(2) of the CAA, 42 U.S.C. § 7550(1). In addition, the exclusion and exemption of motor vehicle and motor vehicle engine regulations clarify that

[f]or the purpose of determining the applicability of section 216(2) of the CAA, a vehicle which is self-propelled and capable of transporting a person or persons or any material or any permanently or temporarily affixed apparatus shall be deemed a motor vehicle, unless any one of more of the criteria set forth below are met, in which case the vehicle shall be deemed not a motor vehicle: (1) The vehicle cannot exceed a maximum speed of 25 miles per hour over level, paved surfaces; or (2) The vehicle lacks features customarily associated with safe and practical street or highway use, ... ; or (3) The vehicle exhibits features which render its use on a street or highway unsafe, impractical, or highly unlikely. . . . 40 C.F.R. § 85.1703.

The CAA makes it a violation

for any person to manufacture or sell, or offer to sell, or install, any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this subchapter, and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use.

CAA § 203(a)(3)(B), 42 U.S.C. § 7522(a)(3)(B); 40 C.F.R. § 86.1854-12(a)(3)(ii). It is also a violation to cause any of the foregoing acts. CAA § 203(a), 42 U.S.C. § 7522(a); 40 C.F.R. § 86-1854-12(a).

The CAA and the applicable regulations also prohibit any person from failing or refusing to make reports or provide information required under section 208 of the CAA, 42 U.S.C. § 7542. CAA § 203(a)(2), 42 U.S.C. § 7522(a)(2); 40 C.F.R. § 86.1854-12(a)(2)(i).

Finally, the CAA provides that persons subject to the requirements of the CAA, and the applicable regulations, shall establish and maintain records, and provide information, which the EPA may require to determine whether the person has acted, or is acting, in compliance with the CAA and its regulations. CAA § 208(a), 42 U.S.C. § 7542(a).

EPA Certification Program

The EPA administers a certification program to ensure that every vehicle introduced into United States

¹ CAA § 101(a)(2), 42 U.S.C. § 7401(a)(2).

² CAA § 101(b)(1)–(2), 42 U.S.C. § 7401(b)(1)–(2).

(“U.S.”) commerce satisfies applicable emission standards. Under this program, the EPA issues certificates of conformity (“COCs”), and thereby approves the introduction of motor vehicles into U.S. commerce. To obtain a COC, a motor vehicle manufacturer must submit a COC application to the EPA for each test group of vehicles that it intends to enter into U.S. commerce. 40 C.F.R. § 86.1844-01. Motor vehicle manufacturers employ many devices and elements of design to meet emission standards to obtain COCs. “Element of design” means “any control system (*i.e.*, computer software, electronic control system, emission control system, computer logic), and/or control system calibrations, and/or the results of systems interaction, and/or hardware items on a motor vehicle or motor vehicle engine.” 40 C.F.R. §§ 86.094-2 and 86.1803-01. For example, manufacturers employ retarded fuel injection timing as a primary emission control device for emissions of oxides of nitrogen (“NO_x”). Manufacturers also employ certain hardware devices as emission control systems to manage and treat exhaust to reduce levels of regulated pollutants from being created or emitted into the ambient air. Such devices include diesel particulate filters (“DPFs”), exhaust gas recirculation (“EGR”), diesel oxidation catalysts (“DOC”), nitrogen oxide absorbing catalysts (“NAC”), three-way catalysts (“TWC”), and selective catalytic reduction (“SCR”).

Factual Background

Black Horse advertises and offers for sale online and SLH completes the sale of certain parts or components for use on light-duty motor vehicles that bypass, defeat, or render inoperative a device or element of design that is used to control emissions on the motor vehicle. The parts and components that are the subject matter of this NOPVOC are: 1) exhaust replacement pipes, 2) EGR delete hardware and 3) crankcase ventilation delete hardware.

On December 13, 2019, pursuant to section 208 of the CAA, the EPA sent Black Horse an Information Request concerning, among other things, the exhaust parts and components that Black Horse offered for sale or sold since January 1, 2018, through the date of the letter. On February 12, 2020 and September 14, 2020, the EPA received responses to the Information Request from Black Horse, which included SLH’s sales information. On October 15, 2020, pursuant to section 208 of the CAA, the EPA sent SLH an Information Request concerning, among other things, the exhaust parts and components that Black Horse offered for sale or sold since January 1, 2018, through December 13, 2019. On November 13, 2020, the EPA received a response to the Information Request, which included SLH’s sales information. As part of the EPA investigation, the EPA also reviewed sales through business to consumer e-commerce websites such as eBay. The EPA reviewed a public purchase history of eBay sales advertised by Black Horse. Based on the response to the Information Request and the public purchase history of eBay sales, the EPA makes the following proposed determinations:

1. As described in Appendix A, between June 24, 2019 and August 27, 2019, SLH and/or Black Horse offered for sale and sold 16 exhaust replacement pipe products designed for use on motor vehicles or engines, primarily light-duty and light heavy-duty diesel trucks for model years from 2003 to the present, manufactured by Ford Motor Co. (“Ford”), in potential violation of the CAA.
2. As described in Appendix A, between January 1, 2018, and December 13, 2019, SLH and/or Black Horse offered for sale and sold 12,947 EGR delete hardware products designed for use on motor vehicles or engines, primarily light-duty and light heavy-duty diesel trucks and

engines, for model years from 2003 to the present, manufactured by entities such as Fiat Chrysler Automobiles (“FCA”), General Motors Co. (“GM”), and Ford in potential violation of the CAA.

3. As described in Appendix A, between January 1, 2018 and December 13, 2019, SLH and/or Black Horse offered for sale and sold 2,119 crankcase ventilation delete hardware products designed for use on motor vehicles or engines, primarily light-duty and light heavy-duty diesel trucks and engines, for model years from 2003 to the present, manufactured by entities such as FCA, GM, and Ford in potential violation of the CAA.

Alleged Defeat Device Violations

Based on the evidence gathered through SLH’s and Black Horse’s responses to the EPA’s Information Requests and through analysis of their eBay sales, the EPA’s proposed determination is that SLH and/or Black Horse offered for sale and sold from January 1, 2018 to December 13, 2019 products that have a principal effect of altering or bypassing emission control systems or elements of design on motor vehicles or engines, light-duty and light heavy-duty diesel trucks and engines, manufactured by entities such as FCA, GM, and Ford in potential violation of the CAA.

SLH and/or Black Horse sold three main categories of “defeat device” products: (1) exhaust replacement pipes (sometimes referred to as “emission control delete hardware,” “straight pipes” or “cat delete pipes”); (2) EGR delete hardware; and (3) crankcase ventilation delete hardware (sometimes referred to as “PCV delete hardware,” “PCV reroute” or “crankcase vents”).

A principal effect of these products is to bypass, defeat, or render inoperative elements of the design that control emissions of regulated air pollutants. SLH and/or Black Horse sold exhaust delete hardware, which are exhaust replacement pipes that do not incorporate exhaust aftertreatment emission control devices, and are designed to replace exhaust systems containing DOCs, DPFs, NACs, and SCRs. SLH and/or Black Horse also sold EGR delete hardware designed to replace the EGR valve and cooler systems found on most model year 2003 and newer diesel engines. This hardware typically includes EGR block off plates and/or intake or exhaust manifolds that do not include an EGR port. SLH and/or Black Horse also sold PCV delete hardware. The PCV delete kits include piping that reroutes exhaust directly to the atmosphere, which bypasses the exhaust emission control components. The exhaust replacement pipes, EGR delete hardware, and PCV delete kits are all designed to remove or bypass emission control hardware, which are elements of design that manufactures employ to meet emissions standards.

The Blackhorse-Racing website (Blackhorse-racing.com) and eBay store website (ebay.com/str/blackhorseracingusa) both describe that many of its products facilitate the modification of a diesel truck’s stock configuration. For example, the product “For 2008-2010 Ford Powerstroke 6.4L CAT & DPF Delete Pipe No Bungs 4”” is described as a “straight pipe system” which “increases horsepower”, “increases torque”, and “increases fuel efficiency.” The name of this product and the product’s claims plainly show that the purpose of the product is to delete the CAT and DPF, which are elements of the design that control emissions of regulated pollutants.

Based upon the statements that SLH and/or Black Horse made regarding their products, the function of their products, and their responses to EPA's Information Requests, SLH and/or Black Horse knew or should have known that these products were offered for sale or sold to defeat, bypass, or render inoperative emission control systems of motor vehicles and engines.

Furthermore, SLH and/or Black Horse knew or should have known that these parts and components were offered for sale or installed on or in "motor vehicles" or "motor vehicle engines" despite any disclaimers. Each part was designed and marketed for use on a specific make, model, and year of FCA, GM, or Ford motor vehicle engine. FCA, GM, and Ford sought and obtained COCs from the EPA for these motor vehicles and engines for highway use. This certification unequivocally demonstrates that these vehicles and engines are "motor vehicles" and "motor vehicle engines" under the Act.

Based on the foregoing, SLH and/or Black Horse potentially committed 15,082 violations of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B) by offering for sale and selling 15,082 defeat device products including exhaust replacement pipes, EGR delete hardware, and crankcase ventilation delete hardware between January 1, 2018 and December 13, 2019.

Enforcement Authority

The EPA may bring an enforcement action for these potential violations under its administrative authority or by referring this matter to the United States Department of Justice with a recommendation that a civil complaint be filed in federal district court.³ Persons violating sections 203(a)(3)(A) or (B) of the Act, 42 U.S.C. §§ 7522(a)(3)(A) or (B), are subject to an injunction under section 204 of the Act, 42 U.S.C. § 7523, and a civil penalty of up to \$4,819 for each violation that occurred after November 2, 2015.⁴

The EPA is available to discuss this matter with you in further detail upon your request. Within 14 days of receipt of this NOPVOC, please contact Nathan Dancher, Environmental Engineer, at (415) 972-3482 or dancher.nathan@epa.gov, or have your attorney contact Denise Leong, Assistant Regional Counsel, at (415) 972-3409 or leong.denise@epa.gov.

Sincerely,

Amy C. Miller-Bowen, Director
Enforcement & Compliance Assurance Division
U.S. Environmental Protection Agency, Region 9

Enclosures: Appendix A

³ CAA §§ 204 and 205, 42 U.S.C. §§ 7523 and 7524.

⁴ CAA § 205(a), 42 U.S.C. § 7524(a); 40 C.F.R. § 19.4. This civil penalty level has been adjusted over time as required by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. § 2461 note; Pub. L. 101-410), as amended.

Appendix A

SLH Trading Corp. and/or Black Horse Racing Corp. potential violations of CAA § 203 for the period January 1, 2018 through December 13, 2019 for offering for sale or sale of 15,082 Exhaust Replacement Pipes, EGR Delete Hardware, and Crankcase Ventilation Kits

#	SKU	Part Description	Car Model	Sales Quantity
1	EG31901	6.0L Powerstroke Diesel Complete EGR Bypass and Delete Kit For 2003-2010 Ford	2003-2010 Ford F250 F350	2,758
2	EG31902	Blue EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	419
3	EG31906	6.0L Powerstroke Diesel EGR Basic Bypass Delete Kit For 2003-2007 Ford F250 F350	2003-2007 Ford F250 F350	734
4	EG31908	6.7L Cummins Diesel EGR Valve Cooler Delete Kit for 2010-2016 Dodge Ram 2500	2010-2016 Dodge Ram	1,884
5	EG31909	6.7L Diesel Cummins EGR Valve Cooler Delete Kit For 07-09 Dodge Ram 2500 3500 L6	2007-2009 Dodge Ram	160
6	EG31910	6.7L Diesel Cummins EGR Valve Cooler Delete Kit For 07-08 Dodge Ram 2500 3500 L6	2007-2008 Dodge Ram	78
7	EG31911	EGR Delete & High Flow Intake Elbow For May 04-05 Chevy GMC Duramax Diesel 6.6L	2004-2005 Chevy Silverado GMC Sierra	59
8	EG31912	EGR Valve Cooler Delete Kit For 05.2007-2010 Chevy GMC 6.6L LMM Duramax Diesel	2007-2010 Chevy Silverado GMC Sierra	11
9	EG31916	Blue Delete Kit & High Flow Intake Elbow for 2006.5-2007 GM 6.6L Duramax Diesel LBZ EGR	2006-2007 Chevy Silverado GMC Sierra	73
10	EG31917	6.4L Powerstroke Diesel EGR Valve Cooler Delete Kit For 2008-2010 Ford F-250	2008-2010 Ford F250 F350	208
11	EG31918	6.0L Powerstroke Diesel EGR Cooler Delete Kit For Ford 2003-2007 F250 E Series	2003-2007 Ford F250 F350	724

#	SKU	Part Description	Car Model	Sales Quantity
12	EG31921	6.6L Duramax Diesel LBZ EGR Delete Kit&High Flow Intake Elbow for 2006.5-2007 GM	2006-2007 Chevy Silverado GMC Sierra	94
13	EG31923	Blue EGR Valve Cooler Delete Kit for 2011-2014 Ford F250 F350 6.7L Powerstroke Diesel	2011-2014 Ford F250 F350	245
14	EG31924	Black EGR Valve Cooler Delete Kit for 2011-2014 Ford F250 F350 6.7L Powerstroke Diesel	2011-2014 Ford F250 F350	784
15	EG31926	Silver EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	355
16	EG31939	Black EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	637
17	EG31940	Red EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	857
18	EG31943	Blue Intake Tube Bridge & EGR Valve Cooler Delete Kit for 11-15 GM 6.6L LML Duramax	2011-2015 Chevy Silverado GMC Sierra	68
19	EG31944	EGR Delete Cooler Valve Kit Turbo Diesel For 2004.5-2005 GM 6.6L Duramax LLY	2004-2005 Chevy Silverado GMC Sierra	75
20	EG31951	Blue Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	113
21	EG31952	Silver Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	187
22	EG31953	Red Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	221
23	EG31954	Black Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	701

#	SKU	Part Description	Car Model	Sales Quantity
24	EG31955	EGR Delete Kit fit 2006-2007 Chevy Silverado GMC Sierra 6.6L V8 Duramax LBZ	2006-2007 Chevy Silverado GMC Sierra	16
25	EG31957	EGR Smog Delete Exhaust Intake Block Off Plate Air Plug For Toyota 20R 22RE	Toyota 20R 22RE	309
26	EG31961	6.0L Powerstroke Diesel Trubocharger EGR Delete Exhaust Up Pipe For 03-07 Ford	2003-2007 Ford F250 F350	165
27	EG31962	J Hook EGR Cooler Delete Coolant Bypass J-Pipe for 03-07 Ford 6.0L Powerstroke	2003-2007 Ford F250 F350	10
28	EG31963	EGR Valve Block Off Plate for 2003-2007 Ford 6.0L Powerstroke Diesel Turbo	2003-2007 Ford F250 F350	160
29	EG31971	Blue PCV Reroute Fittings&Reroute Port Plug&Resonator Plug for GM 6.6L Duramax	2004-2010 Chevy Silverado GMC Sierra	453
30	EG31972	6.6L Duramax Diesel PCV Reroute Fittings&Reroute Port Plug&Resonator Plug for GM	2004-2010 Chevy Silverado GMC Sierra	809
31	EG31973	PCV Reroute&Resonator Delete Kit for 04.5-10 GM 6.6L Duramax Diesel LLY LBZ LMM	2004-2010 Chevy Silverado GMC Sierra	317
32	EG31974	PCV Reroute&Resonator Delete Kit for 04.5-10 GM 6.6L Duramax Diesel LLY LBZ LMM	2004-2010 Chevy Silverado GMC Sierra	540
33	EG31983	Black Intake Tube Bridge & EGR Valve Cooler Delete Kit for 11-15 GM 6.6L LML Duramax	2011-2015 Chevy Silverado GMC Sierra	120
34	EG31985	6.7L Cummins Diesel EGR Cooler Delete Kit for 2013-2018 Dodge Ram 2500 3500 4500	2013-2018 Dodge Ram 2500 3500 4500	18
38	EG31992	6.7L Cummins Diesel EGR Cooler Delete Kit for 2013-2018 Dodge Ram 2500 3500 4500	2013-2018 Dodge Ram 2500 3500 4500	321
39	EG31993	6.7L Cummins Diesel EGR Delete Kit For 2013-2018 Dodge Ram 3500 4500 Cab&Chassis	2013-2018 Dodge Ram 2500 3500 4500	242

#	SKU	Part Description	Car Model	Sales Quantity
40	EG53001	For EGR Delete Tube Plug Intake Block Off Plate LS LSX Silverado 4.8L 5.3L 6.0L	Chevy Silverado LS LSX 4.8L 5.3L 6.0L	43
41	EG53002	EGR Exhaust Manifold Block OFF Plate For Silverado LS LQ4 LSX 4.8L 5.3L 6.0L	Chevy Silverado LS LSX 4.8L 5.3L 6.0L	9
42	EG53003	For LS Truck EVAP Purge Solenoid Tube Plug Intake Block Off Delete 4.8 5.3 6.0L	Chevy Silverado LS LSX 4.8L 5.3L 6.0L	19
43	EG53004	EGR Pressure Testing Plates For 2011-2015 LML Duramax 6.6l GMC Turbo	2011-2015 Chevy Silverado GMC Sierra	7
44	EG53005	EGR Pressure Testing Plate For 2011-2015 LML 6.6L Duramax silverado Turbo	2011-2015 Chevy Silverado GMC Sierra	3
45	EG53007	Intake Plug EGR Delete Block Off Plate For Camaro LS1 LS6 Z28 Manifold Trans Am	Camaro LS LS1 LQ4	14
46	EG53008	EGR Smog Air Delete Cover Exhaust Block Off Plate Set For Camaro LS LS1 LQ4 5.7L	Camaro LS LS1 LQ4	24
47	EG53009	EGR Smog Air Delete Cover Exhaust Block Off Plate Gaskets For Camaro LS LS1 LQ4	Camaro LS LS1 LQ4	17
48	EG53015	EGR Delete & High Flow Intake Elbow For May 04-05 Chevy GMC Duramax Diesel 6.6L	2004-2005 Chevy Silverado GMC Sierra	5
49		For 2008-2010 Ford Powerstroke 6.4L CAT & DPF Delete Pipe No Bungs 4"	2008-2010 Ford Powerstroke 6.4 L	16
			Total Parts Sold	15,082